

## Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 SP-02 USIA-06

AID-05 EB-07 NSC-05 EPG-02 SS-15 STR-04 OMB-01

CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-01 PA-01

PRS-01 /107 W

-----031029Z 051504 /12

P 030929Z JUN 77

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC PRIORITY 2803

INFO AMCONGEN HONG KONG

USMISSION GENEVA

AMEMBASSY MANILA

AMEMBASSY PARIS

USUN NEW YORK 1799

AMEMBASSY VIENTIANE PRIORITY

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MANILA FOR USADB

E.O. 11652: N/A

TAGS: PFOR, TH, VN, LA

SUBJ: RED: MEKONG COMMITTEE

REF: A) BANGKOK 2065, B) BANGKOK 2174

1. SUMMARY: MEKONG COMMITTEE (MCC) EFFORTS TOWARD RETURNING SRV AND LPDR TO FOLD COMMENCE JUNE 5 WITH EXPECTATION OF TRIPARTITE MEETING IN VIENTIANE AROUND JUNE 25. SHOPPING LIST BEING HANDCARRIED TO HAOI VIA VIENTIANE IN EFFORT TO ASSESS SRV PRIORITIES AND PROVIDE BASIS FOR DEFINITIVE WORKPLAN. SEPTTEL COVERS MCC PROBLEMS, THE FORMATION OF INTERIM COMMITTEE AND DONOR SUPPORT. END SUMMARY.

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2. MEKONG COMMITTEE EXECAGENT, WILLEM VAN DER OORD DEPARTS FOR VIENTIANE ON JUNE 5 AND ULTIMATELY TO HANOI ACCOMPANIED BY DR. Y. KAIDA, IRRIGATION AGRONOMIST AND WATER MANAGEMENT SPECIALIST (JAPANESE-SECONDED TO MCC) AND MR. V. R. PANTULU, UNEP ENVIRONMENTAL ADVISOR TO MCC AND A FISHERIES SPECIALIST. RETURN SCHEDULED FOR

JUNE 17.

3. REFS A AND B PROVIDED MCC WORK PROGRAM FOR LAOS AND THAILAND FOR 1977. EXECAGENT PRESENTED HASTILY DRAWN LIST (FROM 1975 ANNUAL REPORT) FOR VIETNAM TO SRV DELEGATES TO ESCAP PLENARY AND RECEIVED REACTION THAT THEY WANTED ALL PROJECTS PLUS MORE. LIST HAS NOW BEEN REVISED FOR CURRENT MISSION (FORWARDED TO ACTION ADDRESSEES UNDER SEPARATE COVER). PROJECTS FALL INTO TWO CATEGORIES:

A. IMPLEMENATION UNDERWAY IN SPRING 1975 (WITH COST ESTIMATES):

1) BASINWIDE FLOOR FORECASTING - \$48,000  
ANNUALLY (FUNDS PROGRAMMED FROM UNDP SUPPORT TO MCC)  
TO REINSTATE SRV REPORTING.

2) GO CONG PIONEER AGRICULTURE PROJECT (ON SALINITY INTRUSION) - \$7.5 MILLION (1974 FIGURES - CONSTRUCTION BEGAN IN 1974 AND \$2.1 MILLION ADB LOAN; PRIMARILY IRRIGATION)

3) KHE SACH (NEAR CAN THO) IRRIGATION - \$1.7 MILLION (1973 FIGURES) FOR PHASE I (STUDIED IN 1974 BY DUTCH WHO AGREED IN PRINCIPLE FUND FIRST PHASE AND MADE \$0.5 MILLION AVAILABLE - TOTAL PROJECT COST \$6.5 MILLION).

4) TIEP NHUT (LOWER BASSAC BASIN) PIONEER AGRICULTURAL PROJECT - SALINITY INTRUSION AND FRESH WATER LIMITED OFFICIAL USE

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IRRIGATION - \$15.2 MILLION (1975) (STUDY DONE BY JAPANESE AND IBRD).

5) CAI SAN PIONEER AGRICULTURAL PROJECT - LOW LIFT PUMPING FOR DRY SEASON IRRIGATION - \$10.9 MILLION (1975) (PRE-INVESTMENT STUDY BY REDECON IN 1973 AND IBRD REVIEW IN 1974).

6) THREE IRRIGATION PROJECTS, ALL PHASE ONE: CAN THO (\$1.6 MILLION - TOTAL \$7.5 MILLION); HUONG MY, BEN TRE PROVINCE (\$42. MILLION - TOTAL \$9.8 MILLION); KIEN AN, NEAR RACH GIA (\$5.1 MILLION - TOTAL \$15.0 MILLION). ALL INVOLVE IMPROVED WATER CONTROL AND WERE RESULT OF 1974 DUTCH STUDY.

7) QUANG LONG, CA MAU, SALINITY INTRUSION \$4.3 MILLION, ALSO STUDIED BY DUTCH.

8. DRAYLING, SRE POK RIVER NEAR BAN ME THUOT, HYDRO-POWER

EXPANSION. FEASIBILITY STUDY COMPLETED 1974 FOR EXPANSION FROM 480 KW TO 12 MW. DESIGN WORK REQUIRED (1 YEAR) AND CONSTRUCTION (2 YEARS) - \$6.5 MILLION (1974).

9) VUNG TAU PRAWN HATCHERY - COMPLETED MARCH 1975.  
EXPAND TO DEVELOP COMMERCIAL PRAWN FARMING \$0.6 MILLION.

10) PILOT FISH FARMS - FEASIBILITY STUDIES COMPLETED 1974 FOR VINH LONG (FRESH WATER) AND GO CONG (BRACKISH WATER) - \$1.0 MILLION 1975) FOR DESIGN DETAIL, ESTABLISHMENT AND OPERATION OF FARMS. BRACKISH WATER FISH SEED PROSPECTING - \$350,000 (1975).  
COMMERCIAL FISH FEED MILL - \$0.8 MILLION (1975).

11) MY THUAN BRIDGE - \$30.0 MILLION (CURRENT ESTIMATE BASED ON 1969 COST WITH ASSUMED INFLATION RATE OF 6.5 PERCENT). MCC DOCUMENT MENTIONS THAT IN LIMITED OFFICIAL USE

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1972 87.5 PERCENT OF THEN TOTAL COST (\$20.6 MILLION) HAD BEEN PLEDGED. (FYI: AMONG THE PLEDGES STILL CARRIED IN THE MCC RECORDS IS THAT OF THE US FOR \$5.0 MILLION. END FYI).

B. PLANNED ONLY IN SPRING 1975 (WITH COST ESTIMATES):

1) UPPER KRONG BUK IRRIGATION, DARLAC PROVINCE - \$6.9 MILLION (1966). EARTH-FILL DAM AND ASSOCIATED DELIVERY SYSTEM. JAPANESE OVERSEAS TECHNICAL COOPERATION AGENCY STUDY IN 1966.

2) UPPER SE SAN HYDRO-POWER AND IRRIGATION, YALI FALLS, KONTUM - PLEIKU PROVINCES, 6,000 KW PLANT (\$3.6 MILLION) PLUS ASSOCIATED IRRIGATION WORKS (\$7.9 MILLION) (1966). NIPPON KOEI (JAPAN) STUDY IN 1961 - 62; UPDATED BASED ON 1963-64 FIELD INVESTIATIONS.

3) AIDS TO NAVIGATION ON MEKONG, BASSAC AND VAM NAO PASSAGE BETWEEN. EQUIPMENT - \$632,000; BUOY LAYING VESSEL - \$1.0 MILLION; \$28,280 ANNUAL COST OF BEACONING OPERATION. US-FUNDED 1976 STUDY OF ENTIRE MEKONG BASIN.

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PRS-01 /107 W  
-----031029Z 051600 /12

P 030929Z JUN 77  
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USMISSION GENEVA  
AMEMBASSY MANILA  
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(4) REHAB OF INLAND WATERWAY FLEET - PHASE 1  
CONSTRUCTION: ONE STANDARD 400 HP AND ONE  
200 HP TUGS, SIX 300 TON DUMB AND ONE 200  
TON MOTOR BARGES - \$1.5 MILLION, NETHERLANDS-  
FINANCED AND STAFFED STUDY IN 1974.  
(5) NAVIGATION TRAINING CENTER, SAIGON. PLANS COM-  
PLETED IN 1974. \$1.9 MILLION (1974) BASED  
ON SECRETARIAT STUDY.  
(6) BAUXITE SURVEY. PRE-FEASIBILITY OF ALUMINUM  
INDUSTRY DONE IN 1970 BASED ON PRIOR WORK BY  
FRENCY IN 1962-63. SOIL SAMPLES COLLECTED BY UK  
TEAM IN 1974. SURVEY WOULD COVER SELECTED BASALTIC  
AREAS IN SOUTHERN VN - \$300,000 PLUS LOCAL STAFF COSTS.  
(7) DA NHIM RESERVOIR FISHERY DEVELOPMENT, \$1.0 MILLION  
(1975) FOR FOUR YEARS DESIGN AND IMPLEMENTATION  
(WOULD FOLLOW NGAM NGUM MODEL).  
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4. OUR REVIEW OF 1975 APPROVED WORK PLAN SHOWED THAT THE  
EAK MAT, DARLAC PROVINCE, EXPERIMENTAL FARM TO STUDY IRRIGATED  
UPLAND CROPS, THE AN GIANG EXPERIMENTAL FARM TO STUDY FLOATING  
RICE, SOYA BEANS, SORGHUM AND IRRI HYBRIDS, AND THE CAN THO  
UNIVERSITY PILOT PROJECT ON MANAGEMENT OF HEAVY CLAY DELTA  
SOILS WERE NOT INCLUDED IN THE LIST FOR UNEXPLAINED REASONS,  
ALTHOUGH ALL WERE WELL UNDERWAY IN SPRING 1975.

5. EXECAGENT MADE VALIANT ALBEIT UNSUCCESSFUL EFFORT IN TWO-HOUR MEETING WITH DONOR COMMUNITY ON MAY 31 TO ELICIT SHOW OF INTEREST IN INDIVIDUAL PROJECTS LISTED ABOVE. HE COULD OFFER NO INFORMATION ON WHAT IF ANY, WORK HAD BEEN DONE ON PROJECTS IN 3A ABOVE SINCE SPRING 1975. ANNOUNCED INTENTION WAS TO USE ANY INDICATED DONOR INTEREST IN ACTUAL NEGOTIATIONS IN HANOI. IBRD REPORTED THAT RECENT MISSION THERE HAD FOUND SRV INTEREST IN IDA ASSISTANCE IN IRRIGATION/DRAINAGE PROJECTS IN GENERAL AND SPECIFIC CONCENTRATION ON EXPANDING DOUBLE CROPPING POTENTIAL IN THE DELTA. THE DUTCH ASKED ABOUT DUTCH GUILDERS 35 MILLION ALREADY AVAILABLE ON BILATERAL BASIS; EXECAGENT SAID SRV RESPONSE TO SUCH QUESTION AT ESCAP MEETING HAD BEEN THAT SRV WULD MANAGE BILATERAL AID AND FUNDS THROUGH MCC SHOULD BE QUOTE NEW MONEY UNQUOTE. IN PARTICULAR, SRV HAD MENTIONED NEED FOR OVERALL STUDY OF AGRICULTURAL POTENTIAL OF DELTA, UMINH FOREST, CA MAU PENNINSULA AND PLAIN OF REEDS (ACID SOIL).

6. GENERAL DONOR VIEW EXPRESSED OPENLY BY SWISS, GERMANS, DUTCH AND IBRD WAS QUOTE WAIT AND SEE WHAT TRANSPIRES IN VIETIANE WHEN THESE COUNTRIES GET TOGETHER TO WORK OUT AN INTERIM COMMITTEE UNQUOTE. IN THE CORRIDORS, CANADIANS WERE VERY DUBIOUS AND CONSIDERED EXECAGENT RATHER PRESUMPTUOUS IN DISTRIBUTING PAPER SUGGESTING THAT QUOTE INITIAL LIMITED OFFICIAL USE

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PLEDGES, TOTALLING US\$50 MILLION, PREFERABLY IN GRANTS, WOULD REPRESENT A MINIMUM REQUIREMENT UNQUOTE. UK PRIVATELY ECHOED SAME VIEW, USSR SAT SILENT AND TOOK COPIOUS NOTES AS DID U.S., SWEDEN, ALTHOUGH PRIVATELY ADMITTING TO BEING SECOND LARGEST BILATERAL DONOR TO SRV, SAID NOTHING NO DID IT CONTRIBUTE TO SAVING OPERATION FOR SECRETARIAT (SEE SEPTTEL).

7. ON A TOPIC OF GENERAL BASINWIDE IMPACT, EXEC-AGENT DISCUSSED PREVAILING VIEWS OF PA MONG HYDRO-POWER PROJECT. LPDR WAS INITIALLY VERY COLD BECAUSE OF PREFERENCE FOR SMALLER, MORE IMMEDIATE IMPACT PROJECTS. MORE RECENTLY, HOWEVER, SEEING THE FX BENEFITS FROM NGAM NGUM 1 AND LOOKING TO THOSE FROM NGAM NGUM 11, A THAW HAS SET IN. THE SRV IS ANXIOUS TO SEE RESULTS OF STUDY BECAUSE OF POWER SUPPLY POTENTIAL FOR NORTH, BUT ALSO BECAUSE THE LONG RANGE, YEAR ROUND DEVELOPMENT OF DELTA AGRICULTURE DEPENDS ON UPSTREAM STORAGE FOR RELEASE DURING THE DRY SEASON. THE RTG LOOKS TO THE LONGER RANGE PRESPECT FOR HYDROPOWER SUPPLY TO SUPPLEMENT

DECREASING HYDROPOWER POTENTIAL WITHIN ITS OWN BORDERS,  
REDUCE HIGH COSTS OF FOSSIL FUEL AND COMPETE  
WITH PROSPECT OF EVEN HIGHER INVESTMENT COSTS OF  
NUCLEAR SOURCES. CAMBODIAN VIEWS ARE NOT KNOWN, BUT PA  
MONG IMPLEMENTATION WOULD REQUIRE THEIR PARTICIPATION  
BECAUSE OF UPSTREAM STORAGE EFFECTS ON FLOWS INTO THE  
OUT OF GREAT LAKE AND NEGATIVE ASPECTS OF CHANGE IN  
SILTING PATTERNS. (FYI: WE HAVE UNSUBSTANTIATED  
RUMOR THAT UNOFFICIAL CAMBODIAN REPRESENTATIVE IN  
PARIS HAS BEEN ASKING AROUND ABOUT WHAT KIND OF  
WORK MCC DOES). EXECUTIVE CONCLUDED DISCUSSION  
BY OBSERVING THAT US-FUNDED STUDY OF PA MONG  
OPTIMIZATION AND DOWNSTREAM EFFECTS/BENEFITS NOW  
UNDER INTENSIVE REVIEW BY SNOWY MOUNTAIN ENGINEERS -  
AUSTRALIAN BASED AND FUNDED - WHICH SHOULD RESULT IN  
SEVERAL STUDIES BY END 1977 ON IMPACT ON ALL  
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RIPARIAN STATES. SME STARTED OUT SOMEWHAT COOL  
IN MARCH-APRIL, BUT ENTHUSIASM GROWING AS THEY  
PLOW THROUGH VOLUMINOUS MATERIAL AVAILABLE.  
WHITEHOUSE

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## Message Attributes

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**Disposition History:** n/a  
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**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009